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Chief Consolidated Mining Company
c/o 1629 Locust Street
Philadelphia PA 19103

VIA FACSIMILE and US Mail

November 5, 2004

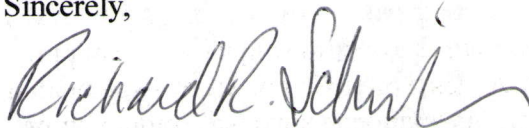
Mr. Daron Haddock
Utah Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple
Suite 1210
Box 145801
Salt Lake City, UT 84114

Dear Mr. Haddock

As we discussed this morning, I am writing to request a 90 day moratorium on further enforcement actions related to Chief's permits for the various Trixie and Burgin mines. Chief suspended all mining activities in the spring of 2002, and has since been unable to raise new money to restart due to the naming of Chief as a Potentially Responsible Party by the U.S. EPA in regards to the Eureka Superfund Project. Since that time, Chief has had no employees, bank accounts, etc. As the last remaining director, I have acted on an unpaid basis to try to negotiate a settlement with the various regulatory agencies which could lead to a viable company in the future. We have recently entered into a proposed Consent Decree with the Department of Justice which, if approved by the Federal Judge, would define Chief's obligations and limitations in regards to the costs of the cleanup. This Consent Decree started a 30 day publishing and public comment period in the Federal Register on October 15, 2004, so we expect to have a final approval soon. Assuming that the proposed Consent Decree is entered by year end 2004, Chief intends to raise new capital to clean up back payables (specifically including Utah mining license fees) and re-hire the work force to resume mining. If the proposed Consent Decree is not approved, Chief would presumably file for bankruptcy and let the courts sort it all out.

Accordingly, Chief respectfully requests a 90 day extension or moratorium on further fines, by which time we will all know if there is a company and employer worth saving. Please contact me with any further questions.

Sincerely,



Richard R. Schreiber
President

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